

Safestay plc

("Safestay", the "Company" or the "Group")

Trading Update

Safestay (AIM: SSTY), the owner and operator of a new brand of contemporary hostel, is pleased to announce the following trading update for the year ended 31 December 2015.

2015 was a successful year for Safestay. The Company significantly increased the total number of beds across the Group's hostel portfolio from 560 to 1500 beds and can now offer over 500,000 bed nights per annum. Demand from the traditional customer base of young travellers and school/college groups was good, augmented by growing interest from new hostel customers, such as business travellers and young families.

As a result, the Company expects to report results for the year ended 31 December 2015 in line with market expectations.

Key highlights of 2015 include:

- Acquisition of Safestay Edinburgh in September 2015 for £14.9 million. Situated in the heart of the old town, this freehold site is a well-established hostel with the potential to capitalise further on the popularity of Edinburgh. Following a light refurbishment, the first few months of trading under the Safestay brand have been positive with early signs of the potential to increase occupancy.
- Opening of Safestay Holland Park in August 2015. Following major refurbishment, this unique grade 1 listed building offers 368 beds in the centre of Holland Park and is attracting strong interest amongst the customer base.
- Improving performance at Safestay York. Occupancy at the York hostel improved in the year ended 31 December 2015 with strong demand over the weekends with the potential for further bed rate increases and better demand for beds during the week.
- Safestay Elephant & Castle, which is an excellent site delivering good year on year growth in occupancy, has had another strong year and is now demonstrating the momentum expected of a more mature site.
- To manage the growing scale of the business, the Company has invested in people and infrastructure. In the second half of the year, Mark Beveridge joined as Finance Director and a new booking system was successfully introduced across the Group which has significantly advanced Safestay's ability to price dynamically.

The Company expects to announce its final results for the year ended 31 December in early April 2016 when it will provide an update on trading and outlook.

Commenting on the trading update, Chairman, Larry Lipman, said: "2015 was a successful and very active year which saw the Company more than double in size. We are very focused on continuing to improve the performance of our four existing sites whilst looking for new sites in the UK and Europe. The concept of the modern hostel is increasingly becoming more mainstream as people recognise the opportunity to stay in attractive, safe and clean surroundings for around £20 per night. We are looking forward to 2016 with confidence."

For further information:

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